

Metal Component Engineering Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 198804700N)

REALLOCATION AND USE OF PROCEEDS FROM THE PLACEMENT OF 14,477,018 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

The board of directors (the “**Board**”) of Metal Component Engineering Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 13 July 2021 (the “**Announcement**”), 26 July 2021 and 30 July 2021 in relation to the placement of 14,477,018 new ordinary shares in the capital of the Company (“**Placement**”).

Unless otherwise defined, all capitalized terms used herein shall bear the same meaning as ascribed to them in the Announcement.

Pursuant to the Placement, the Company raised net proceeds amounting to approximately S\$770,000 (after deducting all expenses in connection with the Placement) (“**Net Proceeds**”).

The Board has decided to reallocate S\$600,000 of the Net Proceeds originally allocated for funding the acquisition of Gainhealth Pte Ltd (“**Gainhealth**”) (which had been funded by the Company through the Group’s internal resources), to be utilised for the Group’s investments in the Healthcare and E-Commerce businesses (the “**Reallocation**”), in order to grow the ePharmacy and telemedicine businesses in the regional markets. The Board is of the view that the Reallocation is in the best interests of the Company and Shareholders as the Reallocation will enable the Group to effectively deploy available cash to the Group to support its business diversification strategies.

The following table summarises the Reallocation and provides an update on the use of Net Proceeds as follows:

Use of Net Proceeds	Amount allocated as disclosed in the Announcement (S\$)	Reallocation (S\$)	Amount utilised as at the date of this announcement (S\$)	Balance of Net Proceeds after Reallocation as at the date of this announcement (S\$)
To fund the acquisition of Gainhealth	600,000	(600,000)	-	-
To fund investments in the Healthcare and E-Commerce businesses	-	600,000	343,788 ⁽¹⁾	256,212
For general working capital requirements	170,000	-	154,110 ⁽²⁾	15,890
Total Net Proceeds	770,000	-	497,898	272,102

Notes:

- (1) Please refer to the Company’s circular to Shareholders dated 23 June 2021 in relation to, the proposed acquisition of Gainhealth (“**Proposed Acquisition**”), and the proposed diversification of the Company’s business into the Healthcare and E-Commerce businesses (“**Proposed Diversification**”). The Proposed Acquisition and the Proposed Diversification were approved by Shareholders at an extraordinary general meeting held on 8 July 2021. The Healthcare Business includes the business of developing, training, distributing (via retail, direct selling, network marketing or e-commerce) healthcare products and/or services, and including but not

limited to (a) general health and wellness; (b) homecare nursing and care support; (c) supply of medication for chronic diseases; (d) direct to home and consumer personalised care; and (e) training on home based medical procedures; and the E-Commerce Business includes online self-branded e-commerce portals and growth stage digital ecosystem platforms, and including but not limited, to (i) operating of technology and digital payment applications that enable digital and mobile payments; and (ii) investment in or building (whether through expertise in the Group and/or suitably qualified external personnel) proven business models relating to e-commerce or the internet of things and seek to scale them into market leading online companies.

The breakdown of the utilisation is as follows:

	S\$
Software licences for Gainhealth business	56,000
Acquisition of MedTel Healthcare Private Limited by 5Digital Pte. Ltd (" 5Digital ")	81,504
Acquisition of PT Gaido Digital Medika by 5Digital	206,284
Total	<u>343,788</u>

- (2) The breakdown of the use of the Net Proceeds for general working capital purposes of the Group is as follows:

	S\$
Employee benefit expenses	128,710
Professional, investor relationship and listing fees	25,400
Total	<u>154,110</u>

Save as disclosed above on the Reallocation, the use of the Net Proceeds is in accordance with the intended use as set out in the Announcement. The Company will make periodic announcements as and when the balance of the Net Proceeds is materially utilised. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s) and financial results announcement(s).

By Order of the Board

Lee Wei Hsiung
Company Secretary
22 November 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**").*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.